

(For reference purposes only)

Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ended March 31, 2017 [Japanese Standard]

February 14, 2017

Stock exchange: Tokyo (First Section)

Listed company name: Aida Engineering, Ltd.

Stock code: 6118 (URL <http://www.aida.co.jp>)

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Scheduled date of filing quarterly securities report: February 14, 2017

Scheduled beginning date of dividend payment: —

Preparation of supplemental explanatory materials: Yes

Holding of quarterly financial results briefing: None

(Figures are rounded down to the nearest million yen)

1. Consolidated Results for the 3rd Quarter of the fiscal year ended March 31, 2017 (April 1, 2016 to December 31, 2016)

(1) Consolidated Financial Results

(Percentages represent change compared to the previous period)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	47,650	(16.2)	4,530	(29.8)	4,794	(30.9)	3,410	(27.5)
Nine months ended December 31, 2015	56,861	1.3	6,454	4.7	6,939	6.9	4,706	5.7

Note: Comprehensive Income
Nine months ended December 31, 2016: 2,675 million yen (Δ 27.9%)
Nine months ended December 31, 2015: 3,713 million yen (Δ 50.6%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Nine months ended December 31, 2016	55.30	55.19
Nine months ended December 31, 2015	76.33	76.12

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2016	102,080	69,498	67.9	1,124.11
As of March 31, 2016	100,609	68,758	68.2	1,112.51

Reference: Shareholders' Equity
As of December 31, 2016: 69,347 million yen
As of March 31, 2016: 68,613 million yen

2. Cash Dividends

	Cash Dividends per Share				
	1Q End	2Q End	3Q End	Year-end	Total
Fiscal year ended March 31, 2016	Yen -	Yen -	Yen -	Yen 30.00	Yen 30.00
Fiscal year ended March 31, 2017	-	-	-		
Fiscal year ended March 31, 2017 (Forecast)				40.00	40.00

Note: Revision of dividend forecast for this period: None

Cash dividends for the fiscal year ended March 31, 2017 Ordinary dividend 30.00 yen 100th anniversary commemorative dividend 10.00 yen

3. Forecasts of Consolidated Results for the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Percentages represent change compared to the previous period)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ended March 31, 2017	70,000	(7.3)	6,500	(19.1)	6,600	(21.1)	4,600	(20.5)	74.57

Note: Revision of forecasts of consolidated results: None

4. Other

(1) Changes among significant subsidiaries during the period: None

Note: This refers to addition and deletion in specific subsidiaries with changes in the scope of consolidation during the period.

(2) Adoption of special accounting treatment for quarter financial report: None

Note: This refers to whether these above were used for preparing quarterly consolidated financial statements.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1. Changes in accounting policies due to revisions of accounting standards: None
2. Changes in accounting policies other than "1": None
3. Changes in accounting estimates: None
4. Retrospective restatement: None

(4) Number of shares outstanding (Common stock)

1. Common stock (Treasury stock included)

As of December 31, 2016: 73,647,321 shares

As of March 31, 2016: 73,647,321 shares

2. Treasury Stock

As of December 31, 2016: 11,956,380 shares

As of March 31, 2016: 11,973,276 shares

3. Average number of shares outstanding

Six months ended December 31, 2016: 61,685,457 shares

Six months ended December 31, 2015: 61,655,754 shares

Status of execution of the quarterly review process of financial statements:

Review procedures under the Financial Instruments and Exchange Act had been completed at the time of disclosure of this report.

Statement for proper use of business forecast and other special remarks:

The above forecasts and those presented in appended material are based on the information presently available. Actual results may differ from these forecasts due to changes in various factors.

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1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash on hand and at banks	22,529	21,697
Notes and accounts receivable - trade	20,105	20,781
Electronically recorded monetary claims - operating	397	504
Short-term securities	7,200	7,000
Finished goods	1,473	1,343
Work in process	9,332	10,823
Raw materials and supplies	2,624	2,998
Deferred tax assets	1,049	889
Other current assets	4,376	4,521
Allowance for doubtful accounts	(186)	(192)
Total current assets	68,903	70,367
Fixed assets		
Property, plant and equipment		
Buildings and structures	21,650	21,814
Accumulated depreciation	(14,061)	(14,325)
Buildings and structures, net	7,589	7,489
Machinery and vehicles	14,096	14,885
Accumulated depreciation	(7,492)	(8,081)
Machinery and vehicles, net	6,604	6,803
Land	5,062	5,060
Construction in progress	779	936
Other fixed assets	2,798	2,835
Accumulated depreciation	(2,177)	(2,250)
Other fixed assets, net	620	585
Total property, plant and equipment	20,656	20,876
Intangible assets	984	873
Investments and other assets		
Investment securities	5,802	6,833
Insurance reserve fund	3,390	2,167
Net defined benefit assets	435	515
Deferred tax assets	155	180
Other assets	308	292
Allowance for doubtful accounts	(26)	(24)
Total investments and other assets	10,064	9,964
Total fixed assets	31,705	31,713
Total assets	100,609	102,080

(Millions of Yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	6,882	6,735
Electronically recorded monetary obligations - operating	1,828	3,242
Short-term loans payable	3,163	3,043
Accounts payable - other	1,070	937
Income taxes payable	1,235	471
Advances received	7,738	8,143
Accrued warranty costs	1,081	920
Accrued bonuses for employees	1,117	676
Accrued bonuses for directors	60	26
Provision for loss on orders received	161	138
Special suspense account for reduction entry	126	12
Other current liabilities	2,473	2,855
Total current liabilities	26,940	27,205
Long-term liabilities		
Long-term loans payable	1,500	1,500
Long-term accounts payable - other	496	591
Deferred tax liabilities	2,261	2,533
Accrued stock payments for employees	238	269
Net defined benefit liabilities	99	109
Other long-term liabilities	314	373
Total long-term liabilities	4,911	5,376
Total liabilities	31,851	32,582
Net assets		
Shareholders' equity		
Common stock	7,831	7,831
Additional paid-in capital	12,416	12,420
Retained earnings	48,783	50,242
Treasury stock	(5,166)	(5,159)
Total shareholders' equity	63,864	65,334
Accumulated other comprehensive income		
Net unrealized gains on other securities	3,043	3,768
Deferred hedge gains (losses)	159	(213)
Foreign currency translation adjustments	1,211	126
Retirement benefit plans adjustments	333	330
Total accumulated other comprehensive income	4,748	4,012
Stock options	145	151
Total net assets	68,758	69,498
Total liabilities and net assets	100,609	102,080

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	56,861	47,650
Cost of sales	43,100	36,426
Gross profit	13,760	11,223
Selling, general and administrative expenses	7,306	6,692
Operating income	6,454	4,530
Non-operating income		
Interest income	65	48
Dividend income	118	114
Gain from redemption at maturity of endowment insurance	28	60
Insurance premiums refunded cancellation	7	117
Foreign exchange gain	363	—
Other non-operating income	68	86
Total non-operating income	652	427
Non-operating expense		
Interest expenses	29	32
Foreign exchange loss	—	65
Other non-operating expenses	138	66
Total non-operating expenses	167	163
Ordinary income	6,939	4,794
Extraordinary gain		
Gain on sales of fixed assets	3	2
Total extraordinary gain	3	2
Extraordinary loss		
Loss on sales of fixed assets	2	0
Loss on disposal of fixed assets	13	23
Total extraordinary loss	16	23
Income before income taxes	6,926	4,774
Current taxes	1,679	945
Deferred taxes	541	417
Income taxes	2,220	1,363
Net income	4,706	3,410
Net income attributable to owners of parent	4,706	3,410

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net income	4,706	3,410
Other comprehensive income		
Net unrealized gains on other securities	334	724
Deferred hedge gains	239	(373)
Foreign currency translation adjustments	(1,539)	(1,085)
Retirement benefit plans adjustments	(27)	(2)
Total other comprehensive income	(993)	(735)
Comprehensive income	3,713	2,675
Comprehensive income attributable to owners of parent	3,713	2,675

(3) Notes to going concern assumption

None

(4) Notes regarding remarkable fluctuation in shareholders' equity

None

(5) Segment Information

Nine months ended December 31, 2015

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustments (*1)	Consolidated Statements of Income(*2)
Sales							
Sales to third parties	19,539	13,342	13,450	10,529	56,861	—	56,861
Inter-segment sales	13,872	3,094	588	494	18,050	(18,050)	—
Total sales	33,411	16,437	14,038	11,024	74,911	(18,050)	56,861
Segment profit or loss	3,700	2,059	976	(352)	6,383	71	6,454

Note:

1. Adjustments of sales represent elimination of inter-segment transactions.
Adjustments of segment profit or loss represent elimination of inter-segment transactions.
2. Segment profit or loss is adjusted to operating income of consolidated statements of income.

Nine months ended December 31, 2016

(Millions of Yen)

	Japan	Asia	Americas	Europe	Sub Total	Adjustments (*1)	Consolidated Statements of Income(*2)
Sales							
Sales to third parties	16,592	9,242	12,553	9,261	47,650	—	47,650
Inter-segment sales	13,002	1,677	184	267	15,132	(15,132)	—
Total sales	29,595	10,919	12,738	9,529	62,782	(15,132)	47,650
Segment profit	2,540	918	1,023	75	4,557	(26)	4,530

Note:

1. Adjustments of sales represent elimination of inter-segment transactions.
Adjustments of segment profit represent elimination of inter-segment transactions.
2. Segment profit is adjusted to operating income of consolidated statements of income.

2. Supplementary Information

Status of Orders

Orders and Order Backlog

Nine months ended December 31, 2016

(Millions of Yen)

	Orders		Order Backlog	
	Amount	Year to year comparison (%)	Amount	Year to year comparison (%)
Japan	17,586	(28.9)	19,330	(12.1)
Asia	8,123	(33.1)	7,996	(32.8)
Americas	12,402	(10.5)	12,014	(2.3)
Europe	7,026	(47.2)	10,024	(22.4)
Total	45,137	(29.5)	49,366	(16.5)

Note:

1. Inter-segment transactions have been eliminated.
2. Amounts above do not include consumption tax.